

WATER/PTL/HJL:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Advisory Branch**

**RESOLUTION NO. W-4319
January 9, 2002**

RESOLUTION

**(RES. W-4319), TRAVER WATER COMPANY (TWC).
ORDER AUTHORIZING AN OFFSET RATE INCREASE
OF \$2,698 OR 4.8% IN ADDITIONAL REVENUE DUE
TO PURCHASED POWER COSTS.**

SUMMARY

By Advice Letter 3-W, filed November 5, 2001, TWC seeks to increase rates by \$2,698 or 4.8% to offset increases in the cost of purchased power charged by Pacific Gas & Electric Company (PG&E). The increase will not result in a rate of return greater than last authorized for TWC.

BACKGROUND

TWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase its rates to offset the increase in its purchased power costs.

Pursuant to Commission Decisions (D.) 01-03-082 and D.01-05-064, PG&E was granted a total rate increase of \$0.04 per kilowatt-hour. As a result of the increase granted to PG&E, TWC is seeking an increase in TWC's metered rate schedule to offset the \$2,698 or 4.8% estimated increase in purchased power costs.

NOTICE AND PROTESTS

Notice of the proposed rate increase was mailed to each customer on November 5, 2001. The Water Division did not receive any letters objecting to the rate increase.

DISCUSSION

Pursuant to D.01-03-082 and D.O1-05-064, a surcharge was added to PG&E's rates for summer and winter consumption. These PG&E rate increases have resulted in a \$2,698 increase in purchased power costs for TWC.

All customers are flat rate and therefore TWC will increase its monthly charge for the various line sizes by 4.8%.

TWC's year 2000 rate of return was 4.0%. Its last authorized rate of return was 13.25% as authorized by D.00-07-014, dated July 6, 2000. TWC is not earning more than its authorized rate of return.

The requested offset rate increase is for the purpose of recovering in rates, on a dollar-for-dollar basis, cost increases in items that have occurred since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

FINDINGS

The Commission finds, after investigation by the Water Advisory Branch, that the rate increase hereby authorized is justified, and the resulting rate increase is just and reasonable.

THEREFORE IT IS ORDERED THAT:

1. Traver Water Company is authorized, five days after the effective date herein, to make effective the revised rate Schedule No. 2, General Flat Rate Service, attached to Advice Letter 3-W, and to concurrently cancel the presently effective rate schedule.
2. Traver Water Company is directed to maintain a balancing account as required by Public Utilities Code Section 792.5.
3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 9, 2002; the following Commissioners voting favorably thereon:

WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President

HENRY M. DUQUE

RICHARD A. BILAS

CARL W. WOOD

GEOFFREY F. BROWN

Commissioners

